

SECOND REGULAR SESSION

SENATE BILL NO. 582

97TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR RUPP.

Pre-filed December 3, 2013, and ordered printed.

TERRY L. SPIELER, Secretary.

4548S.011

AN ACT

To repeal section 208.010, RSMo, and to enact in lieu thereof one new section relating to the amount of assets an applicant is allowed to have to qualify for MO HealthNet benefits.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Section 208.010, RSMo, is repealed and one new section
2 enacted in lieu thereof, to be known as section 208.010, to read as follows:

208.010. 1. In determining the eligibility of a claimant for public
2 assistance pursuant to this law, it shall be the duty of the family support division
3 to consider and take into account all facts and circumstances surrounding the
4 claimant, including his or her living conditions, earning capacity, income and
5 resources, from whatever source received, and if from all the facts and
6 circumstances the claimant is not found to be in need, assistance shall be denied.
7 In determining the need of a claimant, the costs of providing medical treatment
8 which may be furnished pursuant to sections 208.151 to 208.158 shall be
9 disregarded. The amount of benefits, when added to all other income, resources,
10 support, and maintenance shall provide such persons with reasonable subsistence
11 compatible with decency and health in accordance with the standards developed
12 by the family support division; provided, when a husband and wife are living
13 together, the combined income and resources of both shall be considered in
14 determining the eligibility of either or both. "Living together" for the purpose of
15 this chapter is defined as including a husband and wife separated for the purpose
16 of obtaining medical care or nursing home care, except that the income of a
17 husband or wife separated for such purpose shall be considered in determining
18 the eligibility of his or her spouse, only to the extent that such income exceeds

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

19 the amount necessary to meet the needs (as defined by rule or regulation of the
20 division) of such husband or wife living separately. In determining the need of
21 a claimant in federally aided programs there shall be disregarded such amounts
22 per month of earned income in making such determination as shall be required
23 for federal participation by the provisions of the federal Social Security Act (42
24 U.S.C.A. 301, et seq.), or any amendments thereto. When federal law or
25 regulations require the exemption of other income or resources, the family
26 support division may provide by rule or regulation the amount of income or
27 resources to be disregarded.

28 2. Benefits shall not be payable to any claimant who:

29 (1) Has or whose spouse with whom he or she is living has, prior to July
30 1, 1989, given away or sold a resource within the time and in the manner
31 specified in this subdivision. In determining the resources of an individual,
32 unless prohibited by federal statutes or regulations, there shall be included (but
33 subject to the exclusions pursuant to subdivisions (4) and (5) of this subsection,
34 and subsection 5 of this section) any resource or interest therein owned by such
35 individual or spouse within the twenty-four months preceding the initial
36 investigation, or at any time during which benefits are being drawn, if such
37 individual or spouse gave away or sold such resource or interest within such
38 period of time at less than fair market value of such resource or interest for the
39 purpose of establishing eligibility for benefits, including but not limited to
40 benefits based on December, 1973, eligibility requirements, as follows:

41 (a) Any transaction described in this subdivision shall be presumed to
42 have been for the purpose of establishing eligibility for benefits or assistance
43 pursuant to this chapter unless such individual furnishes convincing evidence to
44 establish that the transaction was exclusively for some other purpose;

45 (b) The resource shall be considered in determining eligibility from the
46 date of the transfer for the number of months the uncompensated value of the
47 disposed of resource is divisible by the average monthly grant paid or average
48 Medicaid payment in the state at the time of the investigation to an individual
49 or on his or her behalf under the program for which benefits are claimed,
50 provided that:

51 a. When the uncompensated value is twelve thousand dollars or less, the
52 resource shall not be used in determining eligibility for more than twenty-four
53 months; or

54 b. When the uncompensated value exceeds twelve thousand dollars, the

55 resource shall not be used in determining eligibility for more than sixty months;

56 (2) The provisions of subdivision (1) of this subsection shall not apply to
57 a transfer, other than a transfer to claimant's spouse, made prior to March 26,
58 1981, when the claimant furnishes convincing evidence that the uncompensated
59 value of the disposed of resource or any part thereof is no longer possessed or
60 owned by the person to whom the resource was transferred;

61 (3) Has received, or whose spouse with whom he or she is living has
62 received, benefits to which he or she was not entitled through misrepresentation
63 or nondisclosure of material facts or failure to report any change in status or
64 correct information with respect to property or income as required by section
65 208.210. A claimant ineligible pursuant to this subsection shall be ineligible for
66 such period of time from the date of discovery as the family support division may
67 deem proper; or in the case of overpayment of benefits, future benefits may be
68 decreased, suspended or entirely withdrawn for such period of time as the
69 division may deem proper;

70 (4) Owns or possesses resources in the sum of **[one] five** thousand dollars
71 or more; provided, however, that if such person is married and living with spouse,
72 he or she, or they, individually or jointly, may own resources not to exceed **[two]**
73 **ten** thousand dollars; and provided further, that in the case of a temporary
74 assistance for needy families claimant, the provision of this subsection shall not
75 apply;

76 (5) Prior to October 1, 1989, owns or possesses property of any kind or
77 character, excluding amounts placed in an irrevocable prearranged funeral or
78 burial contract under chapter 436, or has an interest in property, of which he or
79 she is the record or beneficial owner, the value of such property, as determined
80 by the family support division, less encumbrances of record, exceeds twenty-nine
81 thousand dollars, or if married and actually living together with husband or wife,
82 if the value of his or her property, or the value of his or her interest in property,
83 together with that of such husband and wife, exceeds such amount;

84 (6) In the case of temporary assistance for needy families, if the parent,
85 stepparent, and child or children in the home owns or possesses property of any
86 kind or character, or has an interest in property for which he or she is a record
87 or beneficial owner, the value of such property, as determined by the family
88 support division and as allowed by federal law or regulation, less encumbrances
89 of record, exceeds one thousand dollars, excluding the home occupied by the
90 claimant, amounts placed in an irrevocable prearranged funeral or burial contract

91 under chapter 436, one automobile which shall not exceed a value set forth by
92 federal law or regulation and for a period not to exceed six months, such other
93 real property which the family is making a good-faith effort to sell, if the family
94 agrees in writing with the family support division to sell such property and from
95 the net proceeds of the sale repay the amount of assistance received during such
96 period. If the property has not been sold within six months, or if eligibility
97 terminates for any other reason, the entire amount of assistance paid during such
98 period shall be a debt due the state;

99 (7) Is an inmate of a public institution, except as a patient in a public
100 medical institution.

101 3. In determining eligibility and the amount of benefits to be granted
102 pursuant to federally aided programs, the income and resources of a relative or
103 other person living in the home shall be taken into account to the extent the
104 income, resources, support and maintenance are allowed by federal law or
105 regulation to be considered.

106 4. In determining eligibility and the amount of benefits to be granted
107 pursuant to federally aided programs, the value of burial lots or any amounts
108 placed in an irrevocable prearranged funeral or burial contract under chapter 436
109 shall not be taken into account or considered an asset of the burial lot owner or
110 the beneficiary of an irrevocable prearranged funeral or funeral contract. For
111 purposes of this section, "burial lots" means any burial space as defined in section
112 214.270 and any memorial, monument, marker, tombstone or letter marking a
113 burial space. If the beneficiary, as defined in chapter 436, of an irrevocable
114 prearranged funeral or burial contract receives any public assistance benefits
115 pursuant to this chapter and if the purchaser of such contract or his or her
116 successors in interest transfer, amend, or take any other such actions regarding
117 the contract so that any person will be entitled to a refund, such refund shall be
118 paid to the state of Missouri with any amount in excess of the public assistance
119 benefits provided under this chapter to be refunded by the state of Missouri to the
120 purchaser or his or her successors. In determining eligibility and the amount of
121 benefits to be granted under federally aided programs, the value of any life
122 insurance policy where a seller or provider is made the beneficiary or where the
123 life insurance policy is assigned to a seller or provider, either being in
124 consideration for an irrevocable prearranged funeral contract under chapter 436,
125 shall not be taken into account or considered an asset of the beneficiary of the
126 irrevocable prearranged funeral contract. In addition, the value of any funds, up

127 to nine thousand nine hundred ninety-nine dollars, placed into an irrevocable
128 personal funeral trust account, where the trustee of the irrevocable personal
129 funeral trust account is a state or federally chartered financial institution
130 authorized to exercise trust powers in the state of Missouri, shall not be taken
131 into account or considered an asset of the person whose funds are so deposited if
132 such funds are restricted to be used only for the burial, funeral, preparation of
133 the body, or other final disposition of the person whose funds were deposited into
134 said personal funeral trust account. No person or entity shall charge more than
135 ten percent of the total amount deposited into a personal funeral trust in order
136 to create or set up said personal funeral trust, and any fees charged for the
137 maintenance of such a personal funeral trust shall not exceed three percent of the
138 trust assets annually. Trustees may commingle funds from two or more such
139 personal funeral trust accounts so long as accurate books and records are kept as
140 to the value, deposits, and disbursements of each individual depositor's funds and
141 trustees are to use the prudent investor standard as to the investment of any
142 funds placed into a personal funeral trust. If the person whose funds are
143 deposited into the personal funeral trust account receives any public assistance
144 benefits pursuant to this chapter and any funds in the personal funeral trust
145 account are, for any reason, not spent on the burial, funeral, preparation of the
146 body, or other final disposition of the person whose funds were deposited into the
147 trust account, such funds shall be paid to the state of Missouri with any amount
148 in excess of the public assistance benefits provided under this chapter to be
149 refunded by the state of Missouri to the person who received public assistance
150 benefits or his or her successors. No contract with any cemetery, funeral
151 establishment, or any provider or seller shall be required in regards to funds
152 placed into a personal funeral trust account as set out in this subsection.

153 5. In determining the total property owned pursuant to subdivision (5) of
154 subsection 2 of this section, or resources, of any person claiming or for whom
155 public assistance is claimed, there shall be disregarded any life insurance policy,
156 or prearranged funeral or burial contract, or any two or more policies or
157 contracts, or any combination of policies and contracts, which provides for the
158 payment of one thousand five hundred dollars or less upon the death of any of the
159 following:

- 160 (1) A claimant or person for whom benefits are claimed; or
- 161 (2) The spouse of a claimant or person for whom benefits are claimed with
162 whom he or she is living.

163 If the value of such policies exceeds one thousand five hundred dollars, then the
164 total value of such policies may be considered in determining resources; except
165 that, in the case of temporary assistance for needy families, there shall be
166 disregarded any prearranged funeral or burial contract, or any two or more
167 contracts, which provides for the payment of one thousand five hundred dollars
168 or less per family member.

169 6. Beginning September 30, 1989, when determining the eligibility of
170 institutionalized spouses, as defined in 42 U.S.C. Section 1396r-5, for medical
171 assistance benefits as provided for in section 208.151 and 42 U.S.C. Sections
172 1396a, et seq., the family support division shall comply with the provisions of the
173 federal statutes and regulations. As necessary, the division shall by rule or
174 regulation implement the federal law and regulations which shall include but not
175 be limited to the establishment of income and resource standards and
176 limitations. The division shall require:

177 (1) That at the beginning of a period of continuous institutionalization
178 that is expected to last for thirty days or more, the institutionalized spouse, or
179 the community spouse, may request an assessment by the family support division
180 of total countable resources owned by either or both spouses;

181 (2) That the assessed resources of the institutionalized spouse and the
182 community spouse may be allocated so that each receives an equal share;

183 (3) That upon an initial eligibility determination, if the community
184 spouse's share does not equal at least twelve thousand dollars, the
185 institutionalized spouse may transfer to the community spouse a resource
186 allowance to increase the community spouse's share to twelve thousand dollars;

187 (4) That in the determination of initial eligibility of the institutionalized
188 spouse, no resources attributed to the community spouse shall be used in
189 determining the eligibility of the institutionalized spouse, except to the extent
190 that the resources attributed to the community spouse do exceed the community
191 spouse's resource allowance as defined in 42 U.S.C. Section 1396r-5;

192 (5) That beginning in January, 1990, the amount specified in subdivision
193 (3) of this subsection shall be increased by the percentage increase in the
194 Consumer Price Index for All Urban Consumers between September, 1988, and
195 the September before the calendar year involved; and

196 (6) That beginning the month after initial eligibility for the
197 institutionalized spouse is determined, the resources of the community spouse
198 shall not be considered available to the institutionalized spouse during that

199 continuous period of institutionalization.

200 7. Beginning July 1, 1989, institutionalized individuals shall be ineligible
201 for the periods required and for the reasons specified in 42 U.S.C. Section 1396p.

202 8. The hearings required by 42 U.S.C. Section 1396r-5 shall be conducted
203 pursuant to the provisions of section 208.080.

204 9. Beginning October 1, 1989, when determining eligibility for assistance
205 pursuant to this chapter there shall be disregarded unless otherwise provided by
206 federal or state statutes the home of the applicant or recipient when the home is
207 providing shelter to the applicant or recipient, or his or her spouse or dependent
208 child. The family support division shall establish by rule or regulation in
209 conformance with applicable federal statutes and regulations a definition of the
210 home and when the home shall be considered a resource that shall be considered
211 in determining eligibility.

212 10. Reimbursement for services provided by an enrolled Medicaid provider
213 to a recipient who is duly entitled to Title XIX Medicaid and Title XVIII Medicare
214 Part B, Supplementary Medical Insurance (SMI) shall include payment in full of
215 deductible and coinsurance amounts as determined due pursuant to the
216 applicable provisions of federal regulations pertaining to Title XVIII Medicare
217 Part B, except for hospital outpatient services or the applicable Title XIX cost
218 sharing.

219 11. A "community spouse" is defined as being the noninstitutionalized
220 spouse.

221 12. An institutionalized spouse applying for Medicaid and having a spouse
222 living in the community shall be required, to the maximum extent permitted by
223 law, to divert income to such community spouse to raise the community spouse's
224 income to the level of the minimum monthly needs allowance, as described in 42
225 U.S.C. Section 1396r-5. Such diversion of income shall occur before the
226 community spouse is allowed to retain assets in excess of the community spouse
227 protected amount described in 42 U.S.C. Section 1396r-5.

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